

Washington, D.C. --- Rep. Rush Holt (NJ-12) this week introduced legislation, the Helping Fill the Medicare Rx Gap Act (H.R. 2058), that would ensure that more senior citizens receive federal assistance in paying for prescription drug costs under Medicare.

"Senior citizens deserve access to the most effective prescription medications available. Unfortunately, in 2007, 3.4 million Americans had to pay out of their own pocket for medically necessary prescription drugs," Holt said. "My legislation would make Medicare beneficiaries eligible earlier for catastrophic coverage, thereby reducing their personal expenses."

Medicare Part D pays 75 percent of a beneficiary's drug costs until their expenses reach \$2,700. Part D then stops paying and individual beneficiaries must pay for all of their drugs until total expenses reach \$6,154. This leaves a coverage gap of \$3,454 – the "donut hole." "True out-of-pocket" costs (TrOOP) in the donut hole determine when a beneficiary becomes eligible for catastrophic coverage. TrOOP expenses currently include costs incurred by seniors themselves, family members, State Pharmacy Assistance Programs (SPAPs), and charitable organizations.

The Helping Fill the Medicare Rx Gap Act would include the costs of drugs provided by the Indian Health Service, Federally qualified health centers, AIDS drug assistance programs (ADAPs), certain hospitals, and pharmaceutical manufacturer Patient Assistance Programs (PAPs) in calculating TrOOP costs. This legislation helps state AIDS drug assistance programs that help people with HIV/AIDS pay their prescription costs while in the "donut hole", as these programs are struggling to meet increased demand at a time when state budgets are being drastically cut. Holt's legislation also would clarify that it is permissible for pharmaceutical manufacturers to offer their Patient Assistance Programs (PAP) coverage to beneficiaries who are enrolled in Part D, but who cannot afford to pay for their drugs while in the donut hole. This would help ensure that eligible seniors in the donut hole will have access to the prescription drugs they need.

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